

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
Connecticut Department of Public Utility Control)	
Petition for Rulemaking to Amend the)	RM No. 9258
Commission's Rule Prohibiting Technology-)	
Specific or Service-Specific Area Code Overlays)	
)	
Massachusetts Department of Telecommunications)	
and Energy Petition for Waiver to Implement a)	NSD File No. L-99-17
Technology-Specific Overlay in the)	
508, 617, 781, and 978 Area Codes)	
)	
California Public Utilities Commission and the)	
People of the State of California Petition for)	NSD File No. L-99-36
Waiver to Implement a Technology-Specific or)	
Service-Specific Area Code)	

COMMENTS OF AMERITECH

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SUMMARY

Ameritech strongly supports the Commission's number optimization and conservation goals. However, at the same time it should be recognized that even the most successful optimization and conservation measure will not create new numbers and codes and, thus, does not eliminate the need for NPA and, eventually, NANP relief measures. It further agrees that any optimization or conservation measure must be analyzed pursuant to a balancing test that weighs its conservation benefits against its costs and adverse impacts. Ameritech believes that optimization is only possible if the Commission adopts one national numbering policy that is strictly adhered to in all states, without exception. But, the national numbering policy should leave sufficient flexibility, so the industry and the states can quickly respond to changing technical and market conditions and local circumstances. Ameritech proposes that this can best be accomplished if the national numbering plan is implemented by the industry through guidelines adopted through the consensus process, accepted by reference in the Commission's rules, and enforced by the NANPA.

Ameritech has the following specific proposals regarding the issues raised by the Commission in the Notice.

1. Initial NXX code assignments should be made based upon proof that the carrier is certified to provide service in the area.
2. Growth code assignments should be made based upon verified need.
3. The Commission should adopt INC's definitions developed through the Central Office Code Assignment Workshop, and the NANC NRO-WG number reservation definitions. These definitions should be codified by reference in the Commissions rules, and administered by the NANPA.
4. Data reported for forecasting purposes should be limited to the data actually needed to perform that function; must be reported by all numbering users; and should be reported at the NPA/NNX level.

5. Forecasting and utilization data should be reported to the NANPA; utilization data should only be reported at an aggregate level; and all carrier-specific data should be protected, as confidential.
6. The NANPA should have the power and responsibility to conduct audits, where warranted, in accordance with guidelines developed by the industry, and adopted by reference in the Commission's rules.
7. Industry numbering guidelines must be rigorously enforced by the NANPA.
8. Idle NXX codes and blocks must be aggressively reclaimed by the NANPA pursuant to industry guidelines.
9. Rate center consolidation should remain a local state issue.
10. Mandatory ten-digit dialing should be eliminated as a roadblock to NPA overlays or, if the Commission rejects that proposal, should be imposed nationally on a date-certain.
11. D-digit expansion should be studied further, but should not be imposed at this time.
12. Thousands-block pooling should only be implemented based upon a NPA-by-NPA analysis, using specific criteria developed by the Commission.
13. Thousands-block pooling should only be implemented where LRN/LNP technology has been deployed and where, on balance, the benefits of pooling exceed its costs and detrimental impacts.
14. Carriers should only donate uncontaminated and lightly contaminated (up to 10% of the numbers assigned) to the thousands-block pools.
15. The NANPA should administer the thousands-block pools.
16. The costs of pooling should be categorized and recovered on the same basis as LNP.
17. The Commission should reject carrier-choice as a numbering optimization strategy.
18. The Commission should reject carrier-pays as a numbering optimization measure.

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COMMENTS OF AMERITECH

I. INTRODUCTION

Ameritech is pleased to support the numbering conservation and optimizations goals established by the Commission in the Notice. Ameritech agrees with the Commission that numerous changes to number plan area ("NPA") codes is an inconvenience to customers and a significant expense to carriers and end users. Ameritech further concurs that the premature exhaust of the North American Numbering Plan ("NANP") through the inefficient assignment and utilization of central office codes ("NXX Codes") and telephone numbers will be very expensive for the industry and costly and inconvenient for customers. For these reasons, Ameritech agrees that exhaustion of the supply of NPAs available under the existing NANP

numbering format should be deferred as long as reasonably possible through mandatory and enforceable conservation and optimization measures that apply to all users of telephone codes and numbers. To that end, Ameritech strongly supports those measures proposed by the Commission in the Notice that provide significant number optimization benefits, at a reasonable cost.

Ameritech recognizes that the industry structure that existed when the NANP was created more than fifty years ago no longer exists, and that modernizing number administration practices is required. Voluntary guidelines and ad hoc state proceedings are no longer adequate to ensure effective number utilization in the changing telecommunications marketplace. It is, therefore, appropriate and necessary for the Commission to examine each existing and potential numbering practice and conservation measure, and to adopt those that best optimize number utilization through a comprehensive national plan. The Commission should retain authority over the national number conservation and assignment plan and should adopt effective enforcement and audit mechanisms, but should leave implementation to the industry and the states. However, the Commission should not grant waivers that undermine or permit exceptions to the national numbering plan. Number optimization will not occur unless the national numbering plan is universally applied, adhered to, and enforced.

Ameritech supports those proposals which effectively and efficiently optimize number resource utilization and, thereby, delay the exhaust of the NANP and slow the proliferation of NPAs, at a reasonable cost. However, Ameritech agrees with the Commission that each of these measures must be critically analyzed to ascertain its cost, its technical and administrative feasibility, and its long-term impact on code utilization and customer service. A measure should only be adopted where on balance, its benefits outweigh its costs.

Ameritech has extensive experience with number administration, conservation and pooling. In its Comments, Ameritech will apply that experience to its analysis of the issues raised by the Commission. Ameritech will also provide data, facts, and analysis designed to assist the Commission in performing its balancing test, and in ascertaining which proposals will further the goal of optimizing number resource utilization. Where applicable, Ameritech will suggest modifications and improvements to a proposal, where Ameritech believes it will help increase the effectiveness of the measure or reduce its costs. If Ameritech believes that a proposal does not pass the balancing test and does not further number optimization, it will provide the data, facts, and analysis that underlie that conclusion.

In considering the costs and timing of numbering optimization, it should be recognized that no number conservation or optimization plan can eliminate the need to introduce new NXX codes, NPAs, or to eventually modify the NANP format to increase the number of assignable NPAs. The Commission should not permit optimization and conservation measures to serve as a pretext to delay timely NPA relief. This is because conservation does not create new numbers, it simply improves the utilization of the existing supply of numbers. Since there are only so many NXX codes in an NPA (approximately 800 usable codes), once the demand increases above that quantity, NPA relief must be implemented. Moreover, since there are only so many possible NPAs (approximately 800 usable codes) under the existing NANP, once they are exhausted, the NANP format must be modified. Thus, the cost of any measure should be balanced against how effectively it will increase number utilization and defer the day when an NPA, and ultimately NANP, relief must be implemented.

In order for conservation and optimization measures to be fully effective, they must be implemented early, before there is a crisis, and on a uniform basis by all carriers. While it is true

that many of the conditions that affect numbering optimization are local in nature, the Commission must still work to create a single national framework that ensures efficient number utilization in all states by all carriers at an early enough stage in the life of an NPA to make a difference. Fragmented approaches responding to local political pressures will not be efficient and will not result in the maximum cost/benefit. These apparently conflicting goals of national rules that respond to local conditions can best be harmonized by a national plan establishing basic numbering principles and policies, but which leaves sufficient discretion to the industry and to the states to enable them to implement the national plan in ways that meet local circumstances.

Thus, it is imperative that under the Commission's leadership a national framework is developed that is based on the collective inputs and that is implemented through a partnership between the Commission, the states, the telecommunications industry, and consumers. While the Commission must ultimately decide on the national numbering plan, it should delegate enforcement powers to the North American Numbering Plan Administrator ("NANPA") and endow it with sufficient authority to effectively administer and enforce the plan. At the same time, it should not permit the NANPA or the states to take actions that are inconsistent or in conflict with the national framework.

II. AMERITECH HAS EXTENSIVE EXPERIENCE WITH NUMBER ADMINISTRATION, NUMBER CONSERVATION AND NUMBER POOLING

Over the past fifteen months, Ameritech was an active participant in the Number Resource Optimization Working Group (NRO-WG) which created the NANC Number Optimization Report. It also worked on two of NRO-WG's subcommittees [the Analysis Task

Force (ATF) and Individual Telephone Number Pooling Task Force (ITN-TF)] which performed most of the actual analysis that supports the Report.

Ameritech co-chairs the Illinois Pooling Subcommittee and was the principal author of the initial Illinois Commerce Commission (ICC) Report on Thousands-Block Pooling, the Pooling Administrator RFP, the Trial Test Plan, the Trial Expectations document, the Trial Stipulation Agreement and the two Interim Trial Reports. In addition, Ameritech was co-chair of the NANC Technical & Operations (T & O) Committee, which worked on developing the specifications for the Number Portability Administration Center (NPAC) software Release 3.0, to support thousands-block number pooling.

Ameritech also participated in a recent successful trial of thousands-block pooling in the 847 NPA in the Chicago area, which was conducted under the aegis of the Illinois Commerce Commission ("ICC"). Drawing upon our experience in the Illinois trial, Ameritech also co-authored¹ the initial draft text for Section 5 of the NANC Report analyzing thousands-block pooling.

III. OVERVIEW

In paragraph 31 of the Notice, the Commission requests comment on two "general inquiry" items. First, the Commission requests comment on the relative costs and benefits of implementing the number conservation measures raised in the Notice, including the costs of expanding the NANP and the design assumptions contained in the NANPA's NANP exhaust model. Second, the Commission seeks comment on which measures raised in the Notice should be adopted as Commission rules in order to further ensure industry compliance.

¹ Along with the Illinois Commerce Commission Staff.

First, regarding cost, each proposed measure will likely have some positive effect on number efficiency, but at differing costs. Taken individually, the costs of some of the administrative measures may seem reasonable when compared to the massive costs of re-formatting the NANP. However, Ameritech cautions that when considered collectively, the total costs of these methods will be very significant. Moreover, simply because the costs of re-formatting the NANP in the future are massive does not justify wasting money today, or not seeking to get value for the industry's investment. Consequently, the Commission should adopt and implement measures in a manner that recognizes the costs are real, and that is cognizant of industry technical and administrative limitations and capabilities. To this end, the Commission should build on existing industry capabilities and normal business practices and procedures. The Commission should also apply a rigorous cost/benefit analysis to each administrative measure, and only adopt those proposals whose benefits clearly outweigh their costs.

Unfortunately, while the Commission would like, and has requested, quantitative information on the costs of re-formatting the NANP, it is not likely to receive reliable data at this early stage. What can be said at this time is that the costs of this project will be staggering. However, the costs of some of the measures proposed in the Notice will also be very significant. For that reason, cost consideration must be a key focus of this proceeding and a key factor in the analysis of any measure, but may require further analysis as the Commission's proposals are more fully developed and more detail is known.

With regard to NANP implementation timeframes and the NANPA NANP exhaust model, Ameritech supports continued proactive monitoring of code utilization, and the creation of a relief planning trigger. Ameritech agrees that a minimum of a decade will likely be necessary for the industry to prepare for re-formatting the NANP.

The NANP relief plan should be based on the work currently underway in the Industry Numbering Committee ("INC"). The Commission, in coordination with NANPA and the industry, should accept the NANPA exhaust model as a starting point for NANP re-formatting, but should continue to modify it based on new forecast and utilization input and on other market factors, as they emerge. For example, based on the initial analysis, it is clear that the number of new entrants and their service "footprints" will have a key impact on NXX assignments. This trend must be monitored closely so that course corrections can be expeditiously made as circumstances change. Likewise, the Commission and the industry must be sensitive to potential new technologies and related services that may generate new numbering demand characteristics. For example, CATV telephony and voice over IP are expected to be significant consumers of numbering resources in the foreseeable future.

Regulators and the industry have an obligation to the American public to ensure that competition, innovation, efficiency, and customer service are never constrained due to a lack of numbering resources. The Commission and the industry need not panic, but should adopt mandatory conservation and optimization measures now that extend the life of the current NANP, while the Commission and the industry begin the long-term NANP relief planning process. Consistent with this objective, the Commission should, with industry and state participation, develop a trigger mechanism that will begin the implementation process in time to ensure the NANP re-format is completed before exhaust occurs. The first step in that process is the continuation of the preliminary planning that is currently being done at INC.

In summary, it is most important to continually adjust NANP exhaust projections based on new input and market expectations, so they reflect current conditions and, thereby, provide adequate lead time (at least ten years) to implement a new format for the NANP. In parallel,

well in advance of reaching the trigger point, agreement should be reached in an industry forum regarding the specific structure NANP relief should take.

Second, with regard to which measures should be mandated through rules, and the interplay between Commission rules and industry guidelines, Ameritech believes that the Commission should adopt basic numbering policies, programs and goals, but should leave the development of the actual guidelines implementing those policies, programs and goals to the consensus industry process under the aegis of the Commission. The industry guidelines should be administered by the NANPA and enforced by the NANPA with the assistance of NANC and the Commission. This approach provides the flexibility to promptly adopt and implement new practices in response to changing technical requirements. In this manner, the industry's guidelines can be promptly updated and modified, as needed. The incorporation by reference of industry guidelines into the Commission's rules responds to the Commission's concern that absent "rules", the industry may not "police itself effectively". This approach is also consistent with the deregulatory intent of the 1996 Act.

The Commission should also leave to the states sufficient latitude to respond to local conditions. But, if optimization is to occur, the Commission must ensure that national policies are followed. The Commission should not permit states to take actions that are inconsistent with the national plan, or industry guidelines. Equally as important, the Commission should not grant waivers to its rules or industry guidelines that undermine the national plan, or are inconsistent with its optimization and conservation policies.

IV. ADMINISTRATIVE MEASURES

A. Introduction

In this section of the Notice, the Commission requests comment on a number of "administrative" measures that do not rely on the use of the long-term number portability ("LNP") platform and, therefore, "do not require implementation of new systems or technologies". At paragraph 36 of the Notice, the Commission concludes that "one of the major drivers of number exhaust is the lack of discipline in the process by which numbering resources are administered and allocated". The Commission elaborates that "the current guidelines do not impose adequate constraints on a carrier's ability to obtain and stockpile numbers for which it has no immediate need." As a consequence, the Commission proposes a "number of administrative proposals intended to inject a greater degree of discipline into the process of allocating and administering numbering resources." The Commission explains that "these proposals would place an increased responsibility on carriers to provide information about their utilization of the numbering resources that have already been allocated to them." The Commission further expresses the belief that these measures "would impose minimal costs" and "could likely be put in place in a relatively short time period".

Ameritech strongly supports the concept that carriers should not have numbering resources dedicated to them until they reasonably need them. By the same token, they should not retain numbering resources they will not be utilizing in the foreseeable future. Toward these ends, Ameritech agrees that a carrier seeking additional numbering resources should be required to provide data that documents its need for those resources. As a result, Ameritech generally supports the measures proposed by the Commission and has been an active participant in the related efforts within NANC and the INC. However, such reporting requirements should not require more information than is necessary to prove need, nor should they be so onerous as to

impose significant additional costs or to become a barrier to a carrier's prompt access to numbering resources.

As the Commission deliberates the adoption of more stringent requirements on carriers for demonstration of need, it should keep in mind that there already is a significant body of rules and guidelines that address demonstrations of need for codes. The Commission should build on those rules and guidelines. Moreover, before adopting additional rules or guidelines, the Commission should make certain that the existing ones are enforced, and then determine what more is needed to ensure that numbering resources are assigned and retained based upon proven need.

Admittedly, achievement of the goal of assignment and retention of numbering resources based upon actual need will require additional and more consistent data than is currently available. But, the Commission should ensure that any data it requires is needed to prove need, and reject any proposal requiring provision of data not essential for that purpose. The Commission should also recognize that the collection of data not routinely gathered by carriers for other business purposes, will cause significant costs and delays. For that reason, the Commission should generally favor provision of data that already exists, versus creation of new data.

The Commission should also recognize that no rules will be totally effective without proper auditing and enforcement mechanisms. With the number of carriers now in the marketplace and the competitive pressures involved, it is no longer reasonable to rely on an "honor system". The Commission should insist that NANPA fully implement the auditing procedures currently required of it, and that NANPA is granted and exercises any authority

necessary to enforce the guidelines, including reclamation of numbering resources (e.g., NXX codes).

Forecasts assist orderly planning. The Commission's rules should recognize, however, that forecasts are just that -- educated estimates of the future. As such, their validity depends on the circumstances at that moment, as well as the expertise of the carrier involved and the effort put forth. As circumstances change, so must the forecasts. Carriers should not be penalized for making good faith efforts to forecast their numbering needs, even if they turn out to be off the mark. However, carriers must accept responsibility for updating their forecasts as circumstances change, or more concrete information becomes available. The Commission must be prepared to accept the inherent inaccuracies in forecasting numbering demand in the currently complex telecommunications industry and, therefore, ensure that mechanisms are in place that can quickly identify any need for adjustment, and then promptly execute them.

B. Definitions of Categories of Number Usage

At paragraph 39 of the Notice, the Commission tentatively concludes that "a uniform set of definitions for the status of numbers should be established for purposes of implementing the proposals set forth in the Notice." The Commission reasons that "uniform definitions are essential to effective communications between carriers, the NANPA, and the regulatory entities" and that it "will improve our ability to collect accurate data on number utilization and demand, which will in turn improve our ability to forecast number exhaust, and will assist in enforcing the CO Code Guidelines." The Commission states at paragraph 48 of the Notice that it is particularly concerned that the guidelines may allow carriers "to amass and retain excessive inventories of numbers for which it has no immediate need".

Ameritech supports the Commission's tentative conclusion that standard definitions are needed to help ensure that some unscrupulous carriers do not hoard numbering resources. It further agrees with the Commission's statement at paragraph 40 of the Notice that "the industry has devoted a substantial degree of effort to establishing a uniform set of number status definitions" and that "for the most part" the definitions should be "drawn directly from industry proposals." However, Ameritech does not agree that these definitions should be codified as Commission rules. Rather, the definitions should be established and maintained by the Industry Numbering Committee (INC). The industry has been developing these definitions at INC for over a year in the Central Office Code Assignment Workshop under INC Issue 134. The output of the workshop is near completion, and is only awaiting input from NANC on number reservations. This work should be endorsed by the Commission, but not incorporated verbatim into rules. Rather, they should be incorporated into the CO Code Assignment Guidelines and the Thousands-Block Pooling Guidelines, as proposed by the industry through INC. These guidelines can be adopted by reference in the Commission's rules, and be enforced by the NANPA under authority delegated to it by the Commission.

The primary reason the definitions should be established in industry guidelines and enforced through Commission rules, is that these definitions will need modification from time to time to respond to changing industry conditions. This can be achieved much more efficiently and effectively through an informal open industry process, rather than an adversarial regulatory process. These forums are open to all industry members, and enable technical experts to work in an informal environment to fully address new issues as they arise. Under the industry guideline approach, as necessary, INC can promptly reopen a definition and update it as needed to meet changing technological, customer and industry needs.

Ameritech is not providing in its Comments detailed comment on the specific number categories and definitions addressed in the Notice, but rather refers the Commission to INC Issue 34. Moreover, the definition of reserved number has been referred to the NANC's Number Resource Optimization (NRO-WG) Group, which is currently finalizing that definition. Ameritech supports the work being done at INC and NRO, and proposes that these fora should be allowed to finish their work.

The number administration guidelines developed at INC have served the industry well. However, since the introduction of competition in the local exchange marketplace, there has been a large influx of new participants in certain geographic areas. This influx is one the major factors triggering the need for NPA relief. The industry, via the INC, needs to update the guidelines to respond to instances where new entrants enter the business, but then rapidly exit the business or change their service area and, thereby, leave assigned NXX codes idle. In these cases, the NANPA must diligently reclaim the number resources that were allocated, but never utilized, as per the appropriate industry guidelines.

Number reclamation is an evolving area. As a consequence, the industry guidelines governing this sensitive area must likewise evolve with industry trends. The INC process should be used when modifications are required to upgrade the process to meet the needs of the industry.

At paragraph 48 of the Notice, the Commission states that it is "quite concerned about how reserved numbers are categorized, and whether they should be categorized as 'unavailable for assignment.'" Toward that end, the Commission proposes an "appropriately narrow definition . . . both 'reserved number' and 'reserved code' to prevent potential abuse" Ameritech fully supports the Commission's goals, and believes that the industry, through the

NRO-WG, can best develop definitions that properly balance the needs of carriers and customers to have a reasonable inventory of available numbers, with the need for reasonable number conservation. Again, this balancing can best be done in of an open consensus process that takes into account both the need to optimize numbering resources and the legitimate need of consumers to make number reservations.

In summary, the industry guidelines are not broken – they need to be fine tuned and rigorously enforced. But the industry must continually refine its guidelines as the telecommunications marketplace evolves. NANPA also needs to become more active in auditing and the reclamation processes. While Ameritech agrees that the Commission should establish basic national numbering policy through its rules, Ameritech endorses the use of existing public industry forum process to implement that policy in the form of specific guidelines, including definitions of terms. Moreover, Ameritech strongly endorses the Commission providing the mechanisms necessary to ensure compliance with its policies, and the resulting industry guidelines and practices, but proposes that the enforcement function be performed by the NANPA, under the Commission's aegis. The administrative measures discussed in the Notice can help ensure that numbers continue to be available to the industry in a fair and equitable manner per industry guidelines.

C. Verification of Need for Numbers

Ameritech supports the Commission's goal of ensuring that codes are assigned based upon proven ability to use, and a need for the code in the near-term.² Ameritech already rigorously disciplines itself and only requests numbering resources when it has a documented near-term need for them. What it proposes is the adoption of formal measures that enforce the same level of discipline on all carriers.

At paragraph 59 of the Notice, the Commission seeks comment on “what type of showing would be appropriate to obtain an initial code assignment.” The Commission states that it does not intend to “circumscribe any carrier’s ability to obtain initial codes in order to initiate provision of service or to expand its service ‘footprint’”. However, consistent with that objective, the Commission still wishes to “prevent actual or potential abuses of the process.”

Ameritech believes that the Commission’s objective of preventing abuses, while not blocking reasonable access to initial codes, can be harmonized if the NANPA is able to require “proof” of certification to conduct business in the state and area where the initial code is requested. In addition, the NANPA must rigorously enforce industry guidelines requiring that initial codes be activated within required timelines or reclaimed. The Commission should avoid more onerous requirements to provide proof of the ability to utilize an initial code, since they could pose a barrier to entry. Ameritech believes that prompt reclamation of codes that are not in fact used is adequate to ensure that unused codes are not idle for extended periods of time, without imposing unreasonable barriers to initial assignment of codes.

Regarding so-called “growth codes” the Commission tentatively concludes at paragraph 60 of the Notice that “applicants should be required to provide data that supports their need to obtain additional numbering resources, as a means of preventing the building and carrying of excessive inventories.” The Commission also tentatively concludes that “NANPA may not allocate additional numbering resources to an applicant, unless the applicant has made a satisfactory demonstration of need.” The Commission reasons that while “verification of need will not eliminate an applicant’s incentive to hoard, it will reduce the applicant’s ability to hoard without being detected, by providing a mechanism for oversight of applications.”

² Notice at para. 57.

Ameritech supports “verification of need” as a requirement for assignment of growth codes. To this end, the current Months-to-Exhaust Worksheet required by the CO Code Assignment Guidelines should continue to be required. However, Ameritech supports the Commission’s proposal that the NANPA be allowed to evaluate projections in that worksheet before allocating on NXX code. Ameritech shares the Commission’s concern that the worksheet is forward-looking and can only be validated after the fact. For that reason, Ameritech proposes that applicants for growth codes also provide current utilization rates and/or inventory data. This way, estimates of exhaust dates for an NXX code can be validated and audited by the NANPA before a growth code is assigned.

The Commission requests, at paragraph 62 of the Notice, comment on the achievement of specified “fill rate” as a requirement for the assignment of codes. Ameritech opposes any such requirement. Since the utilization characteristics of each service and type of geographic areas differ, Ameritech believes that it is not feasible to adopt fill requirements that are nondiscriminatory and reflect optimal utilization rates for each industry segment. A fundamental problem with a fill rate requirement is that it cannot accommodate differences in demand between rate areas. For example, a high growth area may suddenly consume hundred of numbers within a given month. Reliance on a fill requirement may result in an exhaust of the supply of numbers before a new NXX code can be assigned and opened. However, Ameritech proposes that a standard fill rate could be used to trigger the start of number activations within a new NXX code that has been assigned to a carrier. If that fill rate is not achieved with the previously assigned codes serving the same area within a specified period (e.g., 6-9 months), the new code could be reclaimed.

D. Reporting/Record-keeping Requirements

The Commission tentatively concludes at paragraph 69 of the Notice that it is “necessary to strengthen the current system for forecast and utilization data collection, both to enhance the accuracy with which the NANPA may predict patterns of number usage and of NPA and NANP exhaust, and also to serve as a check on the ability of unscrupulous carriers to hoard numbers or otherwise abuse the number allocation and administration system.” The Commission opines that the “need for better and more timely data on number usage has grown much more acute as competition in the local exchange market has developed and the demand for numbers has rapidly increased.” As a result, the Commission proposes as paragraph 73 of the Notice that “all users of numbering resources supply forecasts and utilization data to the NANPA.”

Ameritech believes that a common sense approach needs to be taken to designing a set of national requirements for the routine reporting of forecast and utilization data. It agrees with the Commission’s conclusion at paragraph 72 of the Notice that improvements are needed in the current method of predicting NPA/NANP exhaust (i.e. COCUS). Ameritech also supports routine reporting of both forecast and utilization data. However, in order to be effective, as proposed by the Commission, such data and forecasts must be provided by all users of numbering resources on a comparable basis.

However, if not properly developed and focused, reporting requirements will cause significant increases in costs and administrative burdens. As such, Ameritech believes that appropriate steps must be taken to ensure that data required by the Commission is carefully designed and limited to what is truly needed to improve forecasting validation, and not simply collected on the possibility that some day, someone may find a use for it.

In this regard, the Commission should be aware that the collection of data needed for the purpose of predicting NPA/NANP exhaust is significantly different from the collection of data for audit purposes. These two purposes should not be mixed. The former requires the reporting of aggregate information at frequent intervals. The latter requires the reporting of very specific data at a very granular level, upon demand. For this reason, any attempt to combine the collection of data to cover both forecasting NPA/NANP exhaust and audit purposes into one routine report will result in significant wasted effort and costs.

In order to determine the potential exhaust date of a particular NPA, frequent monitoring of the level of NXX assignment and fluctuations in NXX forecasts are required. To assist the NANPA in determining the validity of carrier (NXX) forecasts, information on the quantity of assigned numbers (to determine number usage rates) is needed. However, the routine reporting of the volume of other number categories, such as reserved or aging numbers, serves no useful purpose in predicting an NPA's exhaust date. Similarly, the reporting of the volume of reserved or aging numbers on a quarterly or semi-annual basis will not assist the NANPA in performing an audit. This is because information on the total volume of numbers in these categories provides no insight into whether the guidelines are being properly followed. For example, a relatively high quantity of reserved numbers in a carrier's inventory does not prove a violation of the guidelines. Conversely, a relatively low volume of reserved numbers does not indicate compliance. Since the guidelines for reserved numbers specify quantity and intervals on a per customer basis, only an in-depth review of the assignment history of each customer's account will determine the level of compliance. Thus, reports should focus on providing number utilization data and NXX forecasts, since they drive NPA exhaust.

Ameritech proposes that all users of numbering resources have the same obligation to report forecast and utilization data. The NANC's NRO-WG identified the lack of universal carrier reporting as one of the fundamental flaws with the current COCUS process. The exclusion of any numbering resource user from this obligation would render that the replacement for COCUS similarly flawed as a forecasting tool.

For this reason, large resellers (with a thousand or more numbers allocated to them) and Type I (cellular) carriers should, for the sake of completeness, also be obligated to submit such data. The NANC initially decided that the NXX holder (e.g., facilities-based carrier) should assume this obligation to report. However, it is doubtful that the NXX holder will be able to obtain information regarding usage and future demand from its potential competitors, and lacks the authority to withhold future numbering resources if they refuse to provide it. Furthermore, obligating the NXX holder to report reseller/Type I cellular data would represent a step backwards, since it would duplicate one of the major flaws with the current COCUS, (i.e., an incumbent LEC attempting to guess the future demand of its competitors).

Since the primary purpose of the routine reporting of forecast and utilization information is to accurately predict the exhaust of each NPA (and ultimately the NANP itself), there is also no need to collect utilization information by each numbering category. The determining factor for NPA exhaust is NXX code assignment. The driver for NXX code assignment is the assignment and utilization of available numbers within existing NXX codes. As such, carriers should be obligated to report only on the quantity of available numbers remaining within the NXX codes currently assigned to them.³ The reporting of the status of numbers in other categories (e.g., reserved, ported, aging, etc.,) does nothing to assist the NANP in projecting

³ Conversely, they could report on the quantity of unavailable numbers within each NXX

NPA/NANP exhaust. However, carriers should be obligated to continuously track such other categories for audit or review purposes.

Ameritech recommends that both the forecast and utilization data be reported at the NPA/NXX level. As noted above, NPA/NXX level forecast data is needed to accurately predict when a given NPA will eventually exhaust. The reporting of utilization data at the NPA/NXX level will assist the NANPA in determining the validity of the NXX forecasts submitted. In areas where thousands-block pooling has been implemented or is planned, such reporting should be at the NPA/NXX-X level.

Ameritech proposes that carriers furnish such forecasts, where warranted⁴, on a semi-annual basis. Proponents of more-frequent reporting point to previous situations where an NPA that was expected to last for many years suddenly went into a jeopardy condition. However, these parties are mistaken in their belief that more frequent reporting is the best method of identifying sudden jeopardy situations. As previously noted, NPA exhaust is driven by NXX assignments, not the assignment of individual numbers within an NXX. The NANPA is in the best position itself as the assigner of those NXXs to identify when the demand for an NXX code is exceeding previous forecasts, and when an unexpected NPA jeopardy situation is occurring. As such, more frequent reporting would accomplish only one task, i.e., telling the NANPA, after the fact, what it already knows – NXX code demand is outstripping previous projections.

At paragraph 78 of the Notice, the Commission asks if the confidentiality of forecasts and data should be protected. Ameritech believes that the NANPA should take all appropriate steps to ensure the confidentiality of carrier specific data, and that the NANPA should generally only report or provide aggregate data. In answer to the Commission's question, Ameritech believes

⁴ Ameritech supports the NANC Hybrid model for COCUS replacement, which limits semi-annual reporting only to those NPAs that are expected to exhaust within five years

that all carrier-specific code and number utilization data should be designated as confidential business information, exempt from disclosure under the Freedom of Information Act ("FOIA"). In regulatory and legal proceedings, the NANPA should only disclose carrier-specific data under appropriate confidentiality agreements or orders. State regulators should have access to any relevant aggregate data in the NANPA's possession, as well as access to carrier-specific data in cases where it routinely exists, but only under an appropriate confidentiality agreement or order.

Ameritech agrees that the NANPA should function as the first point of contact for states seeking numbering data for analysis purposes, but not the only one. The type of data routinely collected by the NANPA should only be compiled and retained in aggregate form and, thus, may not normally serve the needs of an individual state for carrier-specific data. In some situations it may be more useful for the states to serve data requests directly to those carriers under their jurisdiction. It is not practical or appropriate for the NANPA to routinely collect and warehouse detailed utilization data on each carrier on the chance that someday one or more states may request it. Even if the NANPA did retain such data, it is presently unclear whether they would have the authority to release carrier-specific information to another entity.

At paragraph 79 of the Notice, the Commission requests comment on "the estimated fixed and incremental costs of that [data] collection." The Commission also asks if fixed costs can be "shared". The industry has yet to receive information from the NANPA on the actual costs of its operating a new COCUS-replacement tool⁵. As such, Ameritech has no estimate as to what the alleged seven-fold increase in processing costs (see footnote) may really represent.⁶

⁵ The NANPA has repeatedly stated that such costs will be above and beyond that covered under its current contract.

⁶ The NANPA estimated a seven-fold increase in its costs in processing a quarterly reporting of data at the NPA/NXX-X level, by individual number category, over the 1999 methodology employed. Carriers reported an increase of four to sixteen times in their costs for submitting quarterly, detailed information, over what was submitted for the 1999 COCUS.

However, because of the potential significant costs involved in reporting, Ameritech can state that restraint must be exercised in deciding the frequency and granularity of the data that carriers must generate and the NANPA processes. As evidenced by the work within the NANC's NRO-WG, there is a direct and exponential relationship between the cost of data collection (and processing) and the frequency and granularity of the data submitted. The cost estimates submitted by NANPA and the NRO-WG carrier members confirmed this relationship. Thus, costs are most effectively controlled where data collection is narrowly focused on forecasting demand, and where it is provided no more often and in no more granularity than is necessary.

At paragraph 79 of the Notice, the Commission asks if it should exclude "small carriers" from the forecasting obligation due to cost considerations. If the Commission applies the principles discussed above, the costs of forecasting and reporting should be modest enough that they will not preclude reporting by small and rural carriers. Moreover, if the NANPA is to be in a position to accurately forecast NXX demand, all carriers, both large and small, must submit forecast and utilization data on an on-going basis. Since any exceptions will undermine the accuracy of the report, every effort must be made to minimize the reporting burden so that all carriers can afford to report.

At paragraphs 80 and 81 of the Notice, the Commission asks about alternate data collection models. Ameritech recommends that the Commission adopt the Hybrid Model as the replacement for the current COCUS forecasting tool. This model best achieves an appropriate balance between improving the NANPA's ability to accurately predict NPA/NANP exhaust, and minimizing the reporting burden on each carrier. The Hybrid Model obligates all users of numbering resources to provide both forecast and utilization data on at least a yearly basis. For

those NPA's projected to exhaust within five years, the reporting obligation is increased to twice yearly. In addition, the model provides to the NANPA the authority to request semi-annual reporting within any NPA, where demand for new NXXs significantly exceeds forecasts. To account for unforecasted demand from new carriers entering the market between reporting intervals, the model requires the development of a "new carrier profile" which will be used to supplement the forecasts in any given period. Finally, the model calls for the development of an on-line mechanized interface that will allow carriers to submit their data in an electronic format. These enhancements should represent a vast improvement over the current COCUS and result in a significant increase in the integrity of the projections subsequently developed.

E. Audits

The Commission finds at paragraph 83 of the Notice that "[t]he only comprehensive method of verifying the validity and accuracy of utilization data submitted by users of numbering resources is through audits." The Commission determined that "[a]udit requirements may also, independently, serve as a deterrent to carrier noncompliance or strategic behavior, such as hoarding of numbers." As a result, the Commission proposes a "comprehensive audit program that verifies carrier compliance with federal rules and industry numbering guidelines".

Ameritech agrees.

At paragraphs 84 through 87 of the Notice, the Commission seeks comment on "whether and, if so, how all three types of audits [for cause, regularly scheduled, and random] should be employed" The Commission further finds at paragraph 88 of the Notice that the audit responsibility should be "conducted by a neutral entity". It proposes as possible candidates for this function – the NANPA, the Commission, state commissions, or another neutral third party,

and seeks comments on how audit responsibility should be apportioned among these possible candidates.”

Ameritech supports the NANPA performing “for cause” audits as part of its duties as code administrator. The NANC’s Audit Issues Management Group (“IMG”) reviewed the NANPA contract and concluded that the NANPA is already obligated to perform “CO code request audits” through application reviews. Interim audit procedures for NANPA have been created by a steering committee of NANC, and currently several service provider audits are being conducted by NANPA as trials. The NANC’s NANPA Oversight Working Group (“NOWG”) will complete its work on the audit framework by the end of August, 1999, and plans to give its report recommendations to INC as the starting point for the drafting of guidelines. The NOWG will also create the requirements document for the audit process. The Commission should permit the industry the opportunity to complete its work in this area.

F. Enforcement

At paragraph 91 of the Notice, the Commission tentatively concludes that “the NANPA, the FCC and the state commissions each have a role to play in enforcing the provisions of the CO Code Guidelines, and other numbering utilization rules” The Commission correctly finds that “while the FCC retains the authority to take any necessary enforcement action, in many instances, the NANPA would be the first entity to detect a carrier’s violation of a rule or guideline, such as failing an audit.” The Commission notes that since “the NANPA might often be in the best position to take swift and effective enforcement action, commenters to the NANC Report suggest that the NANPA should be delegated additional enforcement authority.” As a consequence, the Commission tentatively concludes that “the NANPA should be empowered to withhold NXX codes as a sanction for violation of the CO Code Guidelines, especially where the

violation involves failure or refusal to supply accurate and complete utilization or forecast data.”

The Commission also seeks comment on other situations where the NANPA should be able to withhold numbering resources, and about “alternate sanctions”. Comment is further requested on “the appropriate allocation of number administration enforcement responsibilities between the FCC and state regulators.”

Ameritech agrees that effective number conservation requires compliance with the CO Code Assignment Guidelines and other numbering rules and guidelines. Ameritech further agrees that number optimization can only be realized through prompt and uniform enforcement of numbering guidelines. It also concurs that in many cases the NANPA is in the best position to swiftly and effectively enforce those guidelines without the delays and gamesmanship associated with regulatory enforcement proceedings. However, Ameritech believes that the precise nature and extent of the NANPA’s enforcement authority, and the penalties it may impose, can best be addressed through the industry consensus process. There are many local circumstances and technical details that must be considered before a determination can be made as to whether a carrier has in fact violated a guideline and, if so, what sanction is appropriate. These details can be developed and incorporated by the industry into enforcement guidelines that the Commission can then sanction by reference in its rules. Equally as important, the Commission’s rules can authorize enforcement mechanisms that ensure that compliance is audited and enforced. For instance, inaccurate utilization and forecast data or the failure of service providers to provide information related to numbering resources would fall into the “for cause” audit process. The NOWG has already created a tentative audit framework which includes language on enforcement. Audit guidelines are expected to address enforcement in more detail.

Concerning the role of the Commission and the state commissions, Ameritech favors a strong national numbering program implemented by the industry and the states through detailed guidelines. Specifically, Ameritech supports state involvement in implementing national policies and industry guidelines, based upon local circumstances.⁷ But, the Commission should not undercut its own policies and rules by authorizing the industry or state commissions to take actions that are inconsistent with national policies, even as an interim measure.⁸

At paragraph 94, the Commission tentatively concludes that “fines and forfeitures, and possibly, in extreme situations, revocation of certification and licenses should be available as possible sanctions for violation of the CO Code Assignment Guidelines, all of which could only be imposed by regulatory authorities.” Ameritech agrees that these more onerous sanctions must be available in extreme cases to enforce compliance with numbering rules and guidelines in appropriate cases, but believes that these measures should only be imposed by the duly authorized regulatory agency after the appropriate administrative proceedings and with the applicable appeal rights. Ameritech strongly recommends that the Commission’s rules clearly delineate each agency’s role and powers, so there will be no confusion or ambiguity.

In summary, Ameritech agrees that the Commission must take a significant role in enforcing numbering rules and guidelines, should delegate enforcement powers to the NANPA, and should handle appeals from enforcement actions taken by the NANPA.

G. Reclamation of NXX Blocks

At paragraph 95 of the Notice, the Commission notes that “NANC Report notes . . . that there has been ‘some hesitancy’ on the part of NANPA to enforce these reclamation provisions,

⁷ For example, state commissions should be involved in verifying that requesting carriers are duly certified within the areas for which they are requesting codes or numbers.